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DD/M&S Registry
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DD/M&S 73-3762
20 SEP 1973

MEMORANDUM FOR: Director of Communications
Director of Finance
Director of Joint Computer Support
Director of Logistics
Director of Medical Services
Director of Personnel
Director of Planning, Programming and Budgeting
Director of Security
Director of Training

SUBJECT : ADP Resource Allocations for Services from OJCS

1. The CIA Management Committee approved in August an OJCS proposal for an ADP Resource Allocation System submitted with my endorsement.

2. The basic goal of the system is to improve management control over the level of ADP resources used and to stimulate more cost consciousness on the part of users in their requests for computer services.

3. Under this system, a credit allocation for OJCS services has been established for each user Office. Allocations are made in dollars and for FY 1974 will be equal to resources used by your Office in FY 1973. In general, a user Office may not demand services from OJCS in excess of its initial allocation without approval of the DD/M&S. Changes in allocation may be effected as indicated in paragraphs 3 and 5 of Attachment 1.

4. You will receive two monthly reports as output from the system:

- a. an allocation summary report (see Attachment 2); and
- b. a detail project activity report which you should already have received for July from OJCS.

5. The ADP Resource Allocation System is completely independent of the Agency's budgetary control system. Each Office Director is expected to review his current requirements for ADP service and ensure that all of them are necessary. Requests to terminate projects should be addressed to the Director, JCS with an information copy to the DD/M&S. Requests for new ADP services or changes to existing services should be addressed to D/JCS. Requests for ADP services which will cause the Office to exceed their allotment as projected for the remainder of the year will require

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DD/M&S approval. Such requests should be fully explained and justified, and should identify existing projects which may be terminated or reduced to offset the new requirement. If offsets cannot be identified, this, too, should be fully explained.

6. Each Office Director will comment briefly about the general status of his ADP projects in the first weekly activity report submitted after receipt from the Office of JCS of the monthly project activity and allocation summary reports. Comments should focus on the rate of expenditure of the allocation and any foreseen potential problems.

/s/ Harold L. Brownman

HAROLD L. BROWNMAN
Deputy Director
for
Management and Services

Atts.

ccs: C/ISAS
C/HS

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Attachment #1
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ADP RESOURCE ALLOCATION SYSTEM

1. The ADP Resource Allocation System provides a mechanism for management to monitor and control the use of ADP resources. The overall objective is to give user management a larger role in planning the level and type of ADP support they require within established constraints. Growth of ADP resources will be controlled through more deliberate planning of activity levels for existing or future projects. The system will cause users to set priorities among their various projects.

2. For purposes of allocation, OJCS resources will be subdivided into five major categories, as follows:

- Manpower
- Batch Processing (360/OS)
- Time Sharing (360/CP)
- Data Preparation and Card Processing
- Other

For FY 1974, resources for these categories will be allocated individually to users on a yearly basis. Yearly implies that once the allocation is made, the user chooses his own timing and rate of actually using the various resources.

3. The allocations set up for FY 1974 will maintain the same level of activity as that of FY 1973. Allocations will be made at the Office and Directorate levels. Each user Office will be allocated the same total dollars for each of the five major categories as billed by OJCS in FY 1973. A special reserve account will be set up for each Directorate. Funds may be transferred from Office to Office with the approval of the DD/M&S. All such transfers must be within one of the five categories (para 2). For example, dollars can move from Office A's Batch Processing account to Office B's Batch Processing account. Dollar transfers cannot be made between unlike categories, such as Manpower to Batch Processing.

4. Once the allocation for the Fiscal Year is made, the total dollars for each category will remain constant for that year. Performance reports (Allocation Summary Report) will reflect actual monthly activity versus a monthly straight line projection, actual year-to-date activity versus a year-to-date straight line projection, and total yearly allocation versus total remaining allocation.

5. If an Office is about to exceed its allocation, there are several options it may pursue. First, it should review remaining requirements for possible elimination of lower priority projects in an effort to free up the

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needed allocation. If this cannot be done, it can request an additional allocation from the DD/M&S. Depending on the merits of the case, the DD/M&S can increase the allocation of the requesting Office by either charging the Directorate reserve or the account of another Office within the Directorate. However, if this action cannot be taken and the DD/M&S feels justified, he can request aid from other Directorates via OPPB. In such cases OPPB will undertake to determine where an excess allocation may exist and to broker the necessary transfers. If there is no allocation available, OPPB will recommend to DD/M&S what action should be taken. Approval would result in granting the requesting Office additional allocation. Disapproval would necessarily deny to the requesting Office the services requested.

6. Over time it will be necessary to revise the price rate structure to reflect changes in both the types of services provided and the technology required. When rate changes are effected, provision will be made such that existing allocations will not be reduced.

7. OJCS will maintain a reserve account which will be allocated especially for the rerun* of Batch Processing. Funds will be made available for this account by computing the total Batch Processing allocation at 10% below the total actually available. This action is not meant to reduce current levels of batch activity but merely recognizes that users will not want some jobs charged to their accounts if the jobs in question were considered to have errors outside the users' control. When users' accounts are credited for jobs of this nature, the sum of these transactions will be balanced against the OJCS rerun reserve.

8. OJCS will have an allocation set for those activities not considered to be direct overhead. It should be noted that OJCS is both a supplier and user of ADP resources. In order to control those overhead activities related to the supplier aspect, an internal cost system is necessary and is to be addressed. As a user, however, OJCS has been billing itself and will continue to do so in the future.

* Reruns are computer jobs that require reprocessing and are not billed to the user.

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